

PUBLIC NOTICE
Wisconsin Department of Health Services
(BadgerCare Plus Demonstration Project Waiver)

In accordance with federal law, the State of Wisconsin, Department of Health Services must notify the public of its intent to submit to the Centers for Medicare and Medicaid Services (CMS) any new 1115 demonstration waiver project or extension of any previously approved demonstration waiver project, or ending of any previously approved expiring demonstration waiver projects and must provide an appropriate public comment period prior to submitting to CMS the new or extended 1115 demonstration waiver application.

This notice serves to meet these federal requirements and to notify the public that the State of Wisconsin intends to submit a request for a new BadgerCare Plus Demonstration Project Waiver to CMS on August 5, 2013. Two 1115 demonstration projects waivers: the BadgerCare and the BadgerCare Plus for Childless Adults Section 1115 Demonstrations, as amended by the Medicaid 2014 Demonstration Project Waiver on July 1, 2012, will expire on December 31, 2013. It is the Department's intent that the new BadgerCare Plus Demonstration Project Waiver will replace these expiring waivers. You can review the official waiver request and provide comments for the next 30 days (see below), as well as through written or verbal statements made at the following public hearings:

- Eau Claire – July 10 – 11:00 am to 1:00 pm in the Commons area of Chippewa Valley Technical College's Health Education Center at 615 W. Clairemont Avenue, Eau Claire, WI 54701
- Milwaukee – July 11 – 11:00 am to 1:00 pm at the Radisson Milwaukee West 2303 North Mayfair Road, Milwaukee, WI 53226
- Green Bay – July 11 – 11:00 am to 1:00 pm in the Walnut and Oak rooms of the Green Bay Kroc Center at 1315 Lime Kiln Rd, Green Bay, WI 54311

Your comments will be considered to determine if changes should be made to the waiver request, but will not impact proposed or enacted state and federal law. In addition, all public comments will be communicated to the U.S. Department of Health and Human Services (DHHS) as part of the final waiver request.

Accessibility

English

DHS is an equal opportunity employer and service provider. If you need accommodations because of a disability or need an interpreter or translator, or if you need this material in another language or in an alternate format, you may request assistance to participate by contacting Al Matano at (608)267-6848. You must make your request at least 7 days before the activity.

Spanish

DHS es una agencia que ofrece igualdad en las oportunidades de empleo y servicios. Si necesita algún tipo de acomodaciones debido a incapacidad o si necesita un interprete, traductor o esta información en su propio idioma o en un formato alterno, usted puede pedir asistencia para participar en los programas comunicándose con Kim Reniero al número (608)267-7939. Debe someter su petición por lo menos 7 días de antes de la actividad.

Hmong

DHS yog ib tus tswv hauj lwm thiab yog ib qhov chaw pab cuam uas muab vaj huam sib luag rau sawv daws. Yog koj xav tau kev pab vim muaj mob xiam oob qhab los yog xav tau ib tus neeg pab txhais lus los yog txhais ntaub ntawv, los yog koj xav tau cov ntaub ntawv no ua lwm hom lus los yog lwm hom ntawv, koj yuav tau thov kev pab uas yog hu rau Al Matano ntawm (608)267-6848. Koj yuav tsum thov qhov kev pab yam tsawg kawg 7 hnuv ua ntej qhov hauj lwm ntawd.

BACKGROUND

The State of Wisconsin reimburses providers for services provided to Medical Assistance recipients under the authority of Title XIX of the Social Security Act and Chapter 49 of the Wisconsin Statutes. This program, administered by the State's Department of Health Services, is called Medical Assistance (MA) or Medicaid. In addition, Wisconsin has expanded this program to create the BadgerCare and BadgerCare Plus programs under the authority of Title XIX and Title XXI of the Social Security Act and Chapter 49 of the Wisconsin Statutes. Federal statutes and regulations require that a state plan be developed that provides the methods and standards for reimbursement of covered services. A plan that describes the reimbursement system for the services (methods and standards for reimbursement) is now in effect.

Section 1115 of the Social Security Act provides the Secretary of Health and Human Services broad authority to authorize Research & Demonstration Projects, which are experimental, pilot, or demonstration projects likely to assist in promoting the objectives of the Medicaid statute. Flexibility under §1115 is sufficiently broad to allow states to test substantially new ideas of policy merit. Wisconsin intends to seek approval of a demonstration project waiver under this federal authority.

If Wisconsin's BadgerCare Plus Demonstration Project Waiver is approved by the DHHS Secretary, effective January 1, 2014, Wisconsin will provide coverage to adults without dependent children who have attained the age of 19 and have not yet attained the age of 65 years with Medicaid coverage so long as their family income does not exceed 100% of the Federally Poverty Level (FPL). Additionally, Wisconsin will begin requiring a monthly premium for parents and caretakers relatives who qualify for transitional medical assistance (TMA).

PROJECT GOALS

- Ensure every Wisconsin resident has access to affordable health insurance and reduce the state's uninsured rate
- Provide a standard set of comprehensive benefits that will lead to improved healthcare outcomes at no additional cost to state tax payers and the federal government
- Create a medical assistance program that is sustainable so our healthcare safety net is available to those who need it most

PROJECT DESCRIPTION

The Patient Protection and Affordable Care Act (PPACA) included provisions that will allow most individuals and families the opportunity to purchase private insurance through the Federally Facilitated

Marketplace. For those with incomes exceeding 100% FPL and not greater than 400% of the FPL, federal tax subsidies are available to help offset the cost of monthly premiums. Cost sharing limits and subsidies will also be available for many low-income individuals who purchase private insurance through the Federally Facilitated Marketplace.

Wisconsin is committed to ensuring that Wisconsin residents have access to affordable insurance. To coincide with the PPACA, the 2013-2015 biennial budget request includes a provision that would change the income eligibility threshold for adult parents and caretaker relatives from 200% of the Federal Poverty Limit (FPL) to 100% of the FPL. Similarly, childless adults, if this waiver request is approved, would be eligible for BadgerCare Plus Standard Plan benefits if their income does not exceed 100% of the FPL. Children and pregnant women will continue to be eligible for BadgerCare Plus so long as their incomes do not exceed 300% of the FPL and adults with incomes that do not exceed 100% FPL will be eligible to enroll in BadgerCare Plus. Adults with incomes above the poverty level will have access to private insurance coverage with assistance paying for their insurance in the new federal Marketplace starting on October 1, 2013 with coverage effective for January 1, 2014.

This waiver request also includes a change for adult parents and caretaker relatives who qualify for Transitional Medical Assistance (TMA). TMA is a program which extends Medicaid for 12 months for certain individuals whose income has exceeded 100% of the FPL because of an increase in earnings. TMA also extends eligibility for 4 months for certain individuals whose income has exceeded 100% of the FPL because of an increase in child or spousal support. Under the new waiver, all non-disabled, non-pregnant parents and caretakers relatives who qualify for TMA will be required to pay a monthly premium. Those adults who refuse to pay or fail to pay the monthly premium will not be allowed to enroll in BadgerCare Plus for 12 months. Currently, the monthly premium only applies to those adult parents and caretaker relatives who have income exceeding 133% FPL. This waiver request asks the DHHS Secretary to approve a policy that would apply the TMA premium and restrictive reenrollment to all TMA adults and parents with incomes exceeding 100% FPL.

Below, this notice will briefly outline: 1) the current Medicaid eligibility and coverage standards for childless adults; and 2) the Transitional Medical Assistance Program, and describe the specific proposed changes sought to these programs through this waiver request.

1) Childless Adults Eligibility and Coverage

Current Program: Under the authority of an 1115(a) demonstration project waiver, Wisconsin currently covers adults without dependent children (referred to as 'childless adults' throughout this notice) with incomes not exceeding 200% FPL, at the time of application or renewal, under the BadgerCare Plus Core Plan. Because of the federal budget neutrality requirements of the Core Plan waiver, enrollment has been capped since October 2009. As of April 2013 there were more than 145,000 individuals on a wait list. The limited benefit plan provided to this population does not meet either the federal creditable coverage requirement or the new PPACA-mandated Essential Health Benefits requirements. The current BadgerCare Plus Core Plan for Adults Without Dependent Children demonstration project waiver expires on December 31, 2013. Historical enrollment and aggregate expenditures for childless adults under the current waiver by State Fiscal Years (SFYs) are as follows:

	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013 Est.
Average Enrollment	12,398	50,627	45,349	28,991	21,016
Aggregate Expenditures	\$51,075,005	\$182,620,259	\$144,075,850	\$106,538,654	\$96,066,396

Wisconsin currently covers, under the BadgerCare Plus Core Plan for Adults Without Dependent Children, those individuals who:

- Are 19 to 64 years of age;
- Are not pregnant or parents or caretaker relatives of children under age 19;
- Meet all Medicaid non-financial requirements (SSN, citizenship/identity, etc.);
- Are not otherwise eligible for full-benefit or benchmark plan Medicaid/BadgerCare Plus;
- Are not entitled to Medicare;
- Do not have access to health insurance through a current employer in the month of application or in the subsequent three months, regardless of the amount of employer contribution toward the premium.
- Have not had access to health insurance through a current employer in the past 12 months, regardless of the amount of employer contribution toward the premium, unless there is a good reason for not signing up. (For example, circumstances beyond a person's control which keep the person from following program requirements or specific eligibility conditions, such as premium payment or cooperation with medical support.)
- Is not currently covered by a health insurance policy (through employer or individual policy) and has not been covered by a health insurance policy for the past 12 months, unless individual has a good cause reason for losing the coverage (loss of employment, etc.).
- Have a gross income below 200% of the FPL at the time of application or renewal
- Have completed a health needs assessment at application and annual renewal;
- Have paid the annual application fee of \$60 (waived for individuals who are homeless);
- Have a premium requirement and a restrictive reenrollment period of 12 months if a premium is not paid;
- For continued eligibility, have had a physical exam within the first 12 month certification period.

Individuals who have met these eligibility requirements are enrolled in the Core Plan. The Core Plan covers basic health care services, including hospital inpatient and outpatient services, physician and clinic services and generic prescription drugs.

In May 2013, 18,253 individuals were enrolled in the Core Plan. This number has been limited by the agreement in the Core Plan waiver that imposed a federal budget neutrality cap on enrollment.

Waiver Proposal: Through a new demonstration project waiver, Wisconsin would cover those

individuals who:

- Are 19 to 64 years of age;
- Are not pregnant or parents or caretaker relatives of children under age 19;
- Meet all Medicaid non-financial requirements (SSN, citizenship/identity, etc.);
- Are not otherwise eligible for full-benefit or benchmark plan Medicaid/BadgerCare Plus;
- Are not entitled to Medicare;
- Have a gross income, calculated using the federally-mandated Modified Adjusted Gross Income (MAGI) methodology that does not exceed 100% of the FPL before application of a 5% disregard.

Eligible individuals will no longer be required to pay an annual enrollment fee or a premium, and the program will not be subject to an enrollment cap. Eligible individuals will also be enrolled in the BadgerCare Plus Standard Plan, which is the same plan provided to all beneficiaries enrolled in BadgerCare Plus.

We estimate that nearly 99,000 childless adults will enroll in BadgerCare Plus (an increase of approximately 82,000 individuals) between January 1, 2014 and December 31, 2014. We also estimate that nearly 5,000 childless adults will transition to the federal Marketplace and will be eligible for a federal tax subsidy.

We further project annual Medicaid enrollment and aggregate expenditures for childless adults is as follows:

	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018
Average Enrollment	47,882	98,641	98,641	98,641	98,641
Aggregate Expenditures	\$199,145,069	\$386,759,524	\$402,229,905	\$418,319,101	\$435,051,865

2) Transitional Medical Assistance (TMA)

Current: TMA has existed in different forms since the enactment of the Omnibus Budget Reconciliation Act of 1981. It supports the transition from welfare to work by allowing individuals whose earnings have increased to continue to receive Medicaid for a period of time. In Wisconsin, TMA allows individuals to maintain their Medicaid coverage for 12 additional months if:

- They have received Medicaid as part of the Section 1931 coverage group for three of the last six months; and
- Their earnings have increased to a level that their total family income exceeds the Section 1931 coverage group eligibility income threshold. (In Wisconsin, the § 1931 eligibility income threshold is 100% of the federal poverty level (FPL).

As part of the Medicaid 2014 Demonstration Project Waiver request (effective July 1, 2012), amending the BadgerCare and BadgerCare Plus for Childless Adults waivers, Wisconsin received

waiver approval that allows us to require that non-pregnant, non-disabled adult individuals receiving Medicaid, including those on TMA, with family incomes that exceed 133% of the FPL to pay a monthly premium to maintain their Medicaid coverage. As currently occurs, those who either refuse to pay their monthly premium or who fail to pay a premium may be subject to a restrictive re-enrollment period. A restrictive re-enrollment period (RRP) means the member cannot re-enroll in BC+ for twelve months from the termination date while their income remains high enough to owe a premium.

Historical enrollment and aggregate expenditures for adults with Transitional Medical Assistance for the last four State Fiscal Years (SFYs) are as follows:

	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013 Est.
Average Enrollment	20,780	25,514	31,097	33,376	19,500
Aggregate Expenditures	\$69,322,080	\$85,114,704	\$103,739,592	\$111,342,336	\$65,052,000

Waiver Proposal: We are incorporating the TMA Premium and Restrictive Re-enrollment Period component of the Medicaid 2014 Demonstration Project Waiver into the new BadgerCare Plus Demonstration Project Waiver with modifications. Beginning January 1, 2014, non-disabled, non-pregnant adult parents and caretaker relatives, excluding tribal members, who qualify for Standard Plan BadgerCare Plus coverage through TMA only and whose income exceeds 100% of the FPL would be required to pay the TMA premium. Individuals will continue to be covered under the BadgerCare Plus Standard Plan benefit plan with the same copayments and other cost sharing requirements, other than the monthly premium, as all other BadgerCare Plus beneficiaries.

In May 2013, there were approximately 19,114 adults enrolled in BadgerCare Plus through TMA. The number of adults receiving coverage under the TMA program has steadily declined at a rate of 500 per month since the premium requirements included in the Medicaid 2014 Demonstration Project Waiver were implemented on July 1, 2012. We estimate that by January 1, 2014, when the policies under this waiver are implemented, there will be 15,000 adult parents and caretaker relatives eligible under the TMA program. Under the new premium income limit of 100% of the FPL, we estimate a reduction similar to when the premium requirement was implemented for adults with incomes exceeding 133% of the FPL, or 23% between July 2012 and December 2013. If this trend is indicative of the number of adults who will no longer be eligible for BadgerCare Plus under the TMA program, we estimate a further reduction of 3,450 adults by December 31, 2014, at which point the total number of adults eligible under the premium is expected to stabilize.

We further project annual Medicaid enrollment and aggregate expenditures for adults covered through Transitional Medical Assistance is as follows:

	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018
Average Enrollment	15,000	11,550	11,550	11,550	11,550

Aggregate Expenditures	\$50,040,000	\$38,530,800	\$40,072,032	\$41,674,913	\$43,341,910
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HYPOTHESIS AND EVALUATION PARAMETERS

To assess the demonstration, the State will conduct an evaluation. The demonstration evaluation will include an assessment of the following hypothesis:

1. By providing the standard Medical Assistance benefit plan to childless adults under poverty, the State will :
 - Improve health outcomes
 - Reduce the incidence of unnecessary services
 - Increase the cost effectiveness of Medical Assistance services
 - Increase the continuity of health coverage

Therefore, the evaluation will examine the demonstration across the spectrum of access, outcomes, and costs, with an emphasis on the impact of the demonstration on the covered childless adult population in comparison to the prior waiver program and other MA populations.

For the TMA demonstration we will continue to evaluate the impact of cost-sharing provisions on lower-income families above the poverty line. Questions the waiver evaluation will address will include whether or not participants will pay cost sharing, as well as whether or not the cost-sharing requirements will slow the growth of health care spending. The demonstration will consider policy choices related to the alignment of benefits and the equity of cost-share provisions for Medicaid and subsidized health insurance offered through the new federal Marketplace.

A detailed evaluation design will be developed for review and approval by the Centers for Medicare and Medicaid Services. The evaluator will use relevant data from the Medical Assistance program, and its managed care organizations. This may include eligibility, enrollment, claims, payment, encounter / utilization, chart reviews, and other administrative data. The evaluator may also conduct surveys and focus groups of beneficiaries and providers and other original data collection, as appropriate.

Both interim and final evaluations will be performed to help inform the State, CMS, stakeholders, and the general public about the performance of the demonstration. All evaluation reports will be public and posted on the Department of Health Services website.

SPECIFIC WAIVER AND EXPENDITURE AUTHORITIES

Childless Adults: Wisconsin requests that DHHS waive § 1902(a)(34) and that, under authority of § 1115(a)(2) of the Act, expenditures identified for the demonstration population described below, which are not otherwise included as expenditures under § 1903, be regarded as expenditures under Wisconsin's Medicaid State Plan.

Demonstration Population: Provide prospective Medicaid coverage to individuals between the ages of 19 and 64 with family income that does not exceed 100% of the FPL before applying the MAGI 5% disregard. Except for Wisconsin's Family Planning Services and Tuberculosis Medicaid, these individuals are not otherwise eligible for Medical Assistance or the State Children's Health Insurance Program (SCHIP).

TMA and RRP: Wisconsin requests that DHHS waive § 1902(a)(14) insofar as it incorporates section 1916, so that the demonstration population described below may be required to pay a monthly premium as a condition of continued TMA coverage and that those adults who refuse to pay or fail to pay are ineligible for the duration of the 12 month Restrictive Reenrollment Period.

Demonstration Population: Provide Medicaid coverage to non-disabled, non-pregnant adult parents and caretaker relatives who qualify for TMA because their total income, because of earnings or spousal support, exceeds Wisconsin's §1931 family income limit of 100% FPL.

COPIES OF DEMONSTRATION PROJECT WAIVER

Copies of Waiver Documents

A copy of waiver documents, including the waiver application once complete, may be obtained from the department at no charge by downloading the documents from <http://dhs.wisconsin.gov/badgercareplus/waivers.htm> or by contacting:

Regular Mail

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WRITTEN COMMENTS

Written comments are welcome and will be accepted through July 30, 2013. Written comments on the changes may be sent by FAX, e-mail, or regular mail to the Division of Health Care Access and Accountability. The FAX number is (608) 266-1096. The e-mail address is BCDemonstrationWaiver@dhs.wisconsin.gov.

Regular mail can be sent to the above address.

Public comments will be included in the waiver request submitted to CMS on August 5, 2013 and will be available on the department's web site at the address listed above.

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